

TERMS OF REFERENCE

Final evaluation of CDP's forests Policy workstream under the NICFI 2016-2020 funding

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Background

About CDP

CDP is a global non-profit that focuses investors, companies, cities and governments to disclose and act on their environmental impacts. This network of over 515 investors and 125 purchasing companies representing over \$106 trillion in assets and purchasing power, along with policymakers and NGOs around the world, uses CDP data and insights to make better-informed decisions to shift capital towards a low-carbon economy. Our disclosure platform collects data annually from over 8,400 companies on their business operations related to climate change, water security, and deforestation, as well as reporting from over 920 cities, states and regions on mitigation and adaptation efforts. The result of this disclosure across sectors and geographies is the world's most comprehensive collection of accessible, comparable, and self-reported environmental data that is used to drive action by public and private actors.

About CDP Forests

The work of the organization is structured around three thematic pillars, which are climate change, water security, and forests, and four stakeholder teams that work to achieve thematic objectives. Since 2016, CDP Forests has been managing a project composed of three sub-projects funded by NORAD through the Norway's International Climate and Forests Initiative (NICFI). The two sub-projects considered in this evaluation¹ are the following:

1. The Power of Procurement (PoP) project implemented over 5 years between April 2016 and February 2021.
2. South East Asian banks (SEA banks) project, implemented between April 2019 to February 2021.

A more detailed description of these two projects is provided below.

About the projects

Power of Procurement

CDP established a supply chain reporting platform for forests commodities in 2017. With this platform, the organization works to: increase the awareness of deforestation risks among companies in different regions; increase the transparency and accountability in the supply chains of key forests risks commodities; and improve the capacity of supply chain companies so that they take action and address deforestation risks issues.

The goal of the project is to support companies in their efforts to eliminate deforestation from corporate supply chains. To deliver on this goal, the project works with purchasing companies and suppliers, to drive disclosure of companies on forests metrics, and to improve supply chain management techniques, enabling buyers to engage meaningfully with their suppliers, assess management of deforestation risks and track their progress towards becoming deforestation free. It drives change by sharing reported corporate data and insights with both policy makers and financial institutions to help inform decision making processes.

The PoP project policy workstream aims primarily to increase the awareness of policy makers as to the actions taken by companies in their efforts to reduce and remove deforestation arising from Forest Risk Commodities (FRCs). We hope to align private and public sector action, thus creating

¹ The third project does not include a policy component and is not considered in this evaluation.

an efficient mechanism for regulation to be strengthened and implemented. CDP supports policy development at national level by sharing private sector data that supports enhanced regulation addressing both supply and demand sides.

Southeast Asian banks

CDP is developing a sustainable finance reporting framework covering both Climate Change and Forest metrics. The framework will help banks assess and improve their management of forest related risks within their lending portfolios through an annual questionnaire.

Through the process of disclosure, CDP hopes to build capacity within the banking sector, raising awareness of forest related risk in lending portfolios, identifying key actions that banks can take to reduce that risk, and supporting the sector to more deeply engage with portfolio companies. By the end of the project it is hoped that targeted SEA banks will have the necessary tools and evidence to shift capital away from destructive practices and move capital towards more sustainable commodity production systems.

The project also includes a policy workstream. The objective is to increase the awareness of financial regulators in target geographies (Malaysia, Indonesia, Singapore) of deforestation risks in financial lending and investments. The long-term goal of CDP's policy work with financial regulators is to support the development and enforcement of financial regulations that include no deforestation or forests degradation components. To achieve this, financial regulators have been introduced to the pilot reporting platform for financial service in the first year of the project and will be presented with insights on financial institutions' commitments and actions based on the first disclosure cycle's data.

Objective

The objectives of the evaluation are to:

- Evaluate the extent to which the PoP and SEA banks projects have achieved their objectives of increasing targeted policymakers' interest, awareness, intention, and capacities to invest in the development and enforcement of policies that address deforestation issues.
- Identify any relevant² policy developments, and the extent to which CDP's efforts to inform policy cycles with relevant data and insights have facilitated this-these development.
- Provide lessons learned and recommendations to strengthen the effectiveness of policy work in potential subsequent phases of these the PoP and SEA banks projects, or of similar approaches implemented in other geographies.

Scope

This evaluation will exclusively focus on the policy workstreams. The projects being evaluated operate in the following geographies:

- PoP: China, Europe³ and Latin America (with focus on Brazil, Colombia, Peru)⁴
- SEA Banks: focus on Indonesia, Malaysia and Singapore.

²(1) Agenda setting, (2) formulation, (3) evaluation, (4) implementation.

³ Demand geographies/countries

⁴ Supply geography/countries

Criteria

In accordance with the DAC Principles for Evaluation Development Assistance, the evaluation will mainly assess the **effectiveness** of the policy related outcomes across the two projects by assessing the achievement of the expected outcomes, and providing recommendations for improving the performance of further phases of the project. The evaluation will assess the **relevance** of the projects' strategy for the policy workstreams and provide appropriate recommendations.

Evaluation questions

Relevance

- SEA Banks: Is the approach to engage financial regulators in the three SEA countries clear, relevant, effective? In what way could it be improved, or adapted if judged relevant?
- PoP: Is the approach to engage policy actors in the targeted regions (Latin America, China, Europe) clear, relevant, effective / potentially effective? In what way could it be improved, or adapted if judged relevant?
- What is the level of satisfaction and confidence of policy actors (across projects) in the work (produced data, insights) provided by CDP?
- SEA banks: What are the key barriers for regulators to develop / improve / enforce regulation that include the deforestation issue and does the project help / have the potential to support them in doing so, according to the identified barriers?
- PoP: What are the key barriers and opportunities for policy actors to develop / improve / enforce policies / rules on commodity markets and does the project help / have the potential to support them in doing so?

Effectiveness

- SEA banks: Has the project contributed to increasing awareness of deforestation risks of targeted financial regulators? Has readiness and intention to address deforestation risks in policy development for the regulation of financial markets increased among policy actors?
- SEA banks: has the project contributed to supporting targeted financial regulators in identifying gaps in the financial regulations? Are targeted financial regulators identifying, implementing, or preparing to implement actions to fill these gaps and with which contribution of the project?
- PoP: Has the project contributed to increasing the awareness of deforestation risks of policy stakeholders, in Europe, China, and Latin America?
- PoP: What are the results of CDP's engagement with policy makers? Have actions along the policy cycle⁵ been planned, or taken by policymakers to address deforestation issues?⁶
- PoP: If actions have been taken by policy actors, to improve or enforce no deforestation policies on forests risks commodity markets, can we trace any impact on the ground?
- Both projects: Has Covid 19 impacted the achievements of the expected outcomes and what are the lessons learnt to take in regard to dealing with unprecedented risks?

⁵ i.e. Agenda setting, formulation, evaluation, implementation

⁶ Note: PoP is a 5-year duration project, but only gradually increased its investment in its policy workstream starting from 20% of an FTE at the beginning to almost 2 FTEs in 2020. This should be taken into account when assessing the effectiveness criteria.

Deliverables

- Inception report⁷, to be approved by CDP before evaluation begins. At this stage the method and research questions will be refined and agreed by both parties.
- Sampling strategy, timeline for the evaluation, and evaluation matrix.
- Data-collection tools, e.g. survey and interview guidelines.
- Raw data
- Framework for data inputs and sources (i.e. spreadsheet filled in with data collected and interview's results)
- Final report⁸, including recommendations for potential next phases of the projects or the overall strategy to be implemented by CDP Forests at policy level.

Guideline for proposal submission

Interested parties should send the documents listed below to linda.sansico@cdp.net. The subject line should be titled: *Evaluation-NICFI-Policy*. The deadline for submitting proposal for this evaluation is **September 15thth, 2020**. Questions on the terms of reference will be answered between August 31st and September 14th and should be sent to the above-mentioned e-mail address - linda.sansico@cdp.net.

The recruited consultant(s) or consultant firm should have an extensive experience in evaluation of environmental policy / sustainable land use policy and preferably a sound experience in conducting evaluations using a case study approach.

Prospective candidates are expected to submit:

- A statement or cover letter describing how the candidate or team meet the requirements
- CV(s) of consultant / team members
- At least one example of similar previous evaluations
- A proposal describing the methodology**, including an evaluation matrix, and the timeline*** for the evaluation
- A detailed budget including breakdown of cost by task and resource allocation (in days) of the core delivery team.

** *Note regarding methodology:*

The evaluation should be completed using a case study method. The number of case studies should be suggested by the consultant(s). The case studies should focus on policy stakeholders in the different countries targeted by the PoP and SEA banks projects.

CDP welcomes the use of a combination of approaches, that can be suggested by the candidate consultant or consultant firm, if complementing the case study approach seems relevant. A description of the suggested methodological approach is expected in the submitted proposal and should be further detailed at inception phase of the evaluation.

⁷ A template of the inception report will be shared with the selected candidate(s)

⁸ A template of the report will be shared with the selected candidate(s).